

Congressman Mike Pence appeared on the *FOX News* program "Happening Now" with Jon Scott to discuss the President's budget and the economy:

### Transcript:

Jon Scott: Democrats call it a blueprint; Republicans say it's a target. Some of them are labeling the \$3.6 billion [sic] plan a higher tax, weaker economy job killer. Indiana Congressman, Mike Pence, one of the critics of the plan, he joins us now.

Rep. Mike Pence: Hi, Jon.

Scott: You say that Republicans lost the legislative battle here but actually won the argument. Congressman Pence, can you explain that?

Rep. Pence: Well, I think we won the argument on the stimulus bill and on the massive omnibus bill. I think the American people know we can't borrow and spend and bail our way back to a growing economy, and that is the fundamental flaw behind the President's budget proposal. A President's federal budget proposal ought to put fiscal restraint and jobs first, and this proposal, which involves massive increases in federal spending and tax increases on virtually every American, does exactly the opposite. I think it's a prescription for economic decline.

Scott: You'll have to excuse me if I'm a little bit slow on this; I'm having trouble hearing you. But I wanted to ask you this question: You know, President Bush was in power - was in office - when we finished out 2008. We just got those budget numbers that suggest the economy was worse than expected, down 6.2% in the final quarter of 2008. Do you think that voters are going to hold that against Republicans?

Rep. Pence: Well, I think voters are going to hold it against Washington, D.C.; I think they're going to hold it against leadership in both parties if we don't do the right thing from this point forward. And most Americans know that increasing federal spending, as we did in the stimulus bill, as we did this week in the omnibus bill and as the President is calling for in this massive new budget, which includes all kinds of new government spending. And adding to that, Jon, massive tax increases that touch almost every American, that's no prescription for getting this economy growing again; it's no prescription for creating jobs or ultimately achieving the goal of a balanced budget. I really believe the American people want to see Congress put jobs and fiscal restraint first.

Scott: Well, right there is a huge disagreement with the President - he says there will be not a dime's tax increase for 95% of Americans.

Rep. Pence: Yeah, I heard that. I was in the Well the other night. But people deserve to know a couple of things. Number one, the President's call for raising taxes on Americans that make more than \$250,000 a year - Jon, according to a liberal tax policy group here in Washington,

more than half of the Americans who file at that level are actually small business owners filing as individuals. So if you think raising taxes on small businesses in this country will help create jobs, I think you've got another thing coming. The other thing that the President neglects to mention - Democrats and this Administration just raised taxes on smokers and in the President's plan he wants to raise taxes on capital gains and dividends. That's going to hit retirees. That's going to hit every American's pension fund. Look, virtually every American is going to be touched by the tax increases. It's just wrong, in a recession, to raise taxes on virtually every American. Herbert Hoover raised taxes during a recession and it drove us into a depression. That's why many of us here in Washington believe that the President's budget is a blueprint for economic decline.

Scott: Well, if in fact that is what Republicans, in general believe, given the fact you have smaller numbers in the House and the Senate and you don't have the White House anymore - what kind of power do you have to change things?

Rep. Pence: Well, I always tell my colleagues in the House, Jon, that a minority in Congress plus the American people equals a majority. I think when the American people take a look at this pattern, which is more spending and more debt, and now on top of it more taxes on virtually every American, I think the American people are going to rise up, they're going to say, 'look, we want Washington D.C. doing what every one of us are doing,' and that is practicing fiscal restraint, finding places to save dollars, and ultimately pursuing policies that don't put a higher tax burden on working families and small businesses.